UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

IN THE MATTER OF:

DADMINISTRATIVE ORDER FOR EMERGENCY REMOVAL/RESPONSE ACTIVITIES

Field, "Leroy 2" Area,

San Luis Obispo County,

California

Respondent:

Clean Water Act, 33 U.S.C.

S§ 1321(c)&(e).

Unocal Corporation

Corporation

1. JURISDICTION AND GENERAL PROVISIONS

- 1.1 This Administrative Order ("Order") is issued pursuant to the authority vested in the President of the United States by Sections 311(c) & (e) of the Clean Water Act ("CWA"), 33 U.S.C. §§ 1321(c) & (e), as amended by the Oil Pollution Act of 1990 ("OPA"), Pub. Law 101-380 (Aug. 18, 1990), and the authority vested in the Administrator of the United States Environmental Protection Agency ("EPA") by Executive Order 12777, 58 Federal Register 54757 (Oct. 22, 1991). The authority vested in the Administrator pursuant to the CWA has been further delegated to the Regional Administrators by EPA Delegation No. 2-85, dated January 19, 1993.
- 1.2 This Order pertains to a discharge of oil which is occurring from sump in the area known as "Leroy 2," and related contamination, within the South Beach Area of the Unocal Guadalupe Oil Field, located in San Luis Obispo County, California (the "Leroy 2 Site"). This Order requires the Unocal Corporation ("UNOCAL," or the "Respondent") to conduct removal actions described herein to abate or mitigate an imminent and substantial threat to the public health or welfare of the United

States that may be presented by the actual or threatened release of a harmful quantity of oil from the Leroy 2 Site.

- 1.3 Subject to the terms as set forth herein, Respondent agrees to comply with and be bound by the terms and conditions of this Order, including performance of the removal action. Respondent further agrees that it will not contest EPA's authority and/or jurisdiction to enter into, issue or enforce any of the terms of this Order.
- 1.4 EPA has notified the State of California of this action pursuant to Section 311(e)(1)(B) of the CWA, 33 U.S.C. § 1321(e)(1)(B).
- 1.5 This Order applies to and is binding upon Respondent and its successors and assigns. Any change in ownership or corporate status of Respondent shall in no way alter Respondent's responsibilities under this Order.
- 1.6 Respondent shall ensure that each of its contractors, subcontractors, and representatives involved in any activities undertaken to carry out this Order receives a copy of this Order and complies with this Order. Respondent shall be responsible for any noncompliance with this Order.

2. FINDINGS OF FACT

- 2.1 As of October 30, 1995, a discharge of oil from the Leroy 2 Site had reached the Santa Maria River, which is a navigable water of the United States. The oil from this onshore facility poses a substantial threat of continued discharge of oil to the Santa Maria River and to the Pacific Ocean.
- 2.2 This discharge and substantial threat of continued discharge from the Leroy 2 Site constitutes an imminent and substantial threat to public health and welfare of the United States, including endangered species as well as other fish, shellfish, and wildlife, public and private property, shorelines, beaches, the habitat of endangered and other species, and other living and nonliving resources of the United States.
- 2.3 Respondent operates the onshore facility known as the Leroy 2 Site, which is part of the Guadalupe Oil Field operated by the Respondent.

3. CONCLUSIONS OF LAW AND DETERMINATIONS

Based on the Findings of Fact set forth above, and the Administrative Record supporting this removal action, EPA has determined that:

- 3.1 The Leroy 2 Site is an "onshore facility," as defined in Section 311(a)(10) of the CWA, 33 U.S.C. § 1321(a)(10).
- 3.2 Respondent is an "owner or operator," as defined by Section 311(a)(6) of the CWA, 33 U.S.C. § 1321(a)(6).
- 3.3 Respondent is a "person," as defined by Section 311(a)(7) of the CWA, 33 U.S.C. § 1321(a)(7).
- 3.4 The incident described in the Statement of Facts is a "discharge," and presents a substantial threat of a "discharge," as defined in Section 311(a)(2) of the CWA, 33 U.S.C. § 1321(a)(2).
- 3.5 The incident described in the Statement of Facts is a discharge, and substantial threat of discharge, into or upon a navigable water of the United States and an adjoining shoreline.
- 3.6 The quantity of oil discharged, and which may be discharged, from the Leroy 2 Site is a harmful quantity within the meaning of Section 311(b)(3) of the CWA, 33 U.S.C. § 1321(b)(3), and 40 C.F.R. § 110.3, because the discharge and threat of discharge has caused, and may cause, a film or sheen upon or a discoloration of the surface of the water and adjoining shorelines, and a sludge or emulsion to be deposited beneath the surface of the water or adjoining shorelines.
- 3.7 The discharge is a violation of Section 311(b) of the CWA, 33 U.S.C. § 1321(b), because a harmful quantity of oil has been emitted and may be emitted from the Leroy 2 Site into and upon the navigable waters of the United States and adjoining shorelines, and because the discharge has affected or may affect natural resources belong to, appertaining to, or under the exclusive management authority of the United States.
- 3.8 The removal actions required by this Order are necessary to protect the public health and welfare of the United States, including fish, shellfish, and wildlife; public and private property; shorelines; beaches; habitat; and other living and nonliving natural resources under the jurisdiction or control of the United States.

4. ORDER

Based upon the foregoing Findings of Fact, Conclusions of Law and Determinations, and the Administrative Record, EPA hereby orders that the Respondent comply with the following provisions, including all documents, schedules, and deadlines incorporated by reference into this Order.

- 4.1 Respondent is hereby ordered to follow the terms set forth in this order and perform the work described herein.
- 4.2 Respondent shall carry out the removal actions required by this Order within the dates specified herein.
- 4.3 Respondent shall perform all actions required by this Order in accordance with the requirements of the National Oil and Hazardous Substances Pollution Contingency Plan ("NCP"), as amended, 40 C.F.R. Part 300, the CWA, and the OPA, as well as the requirements of all other applicable Federal, state, and local law.
- 4.4 Commencing immediately upon the effective date of this Order, Respondent shall:
- 1) Control the discharge of oil from the Leroy 2 Site, preventing further discharge into the Santa Maria River.
- 2) Submit a draft Work Plan to EPA which describes Unocal's intended course of action to mitigate and remove of the source of the discharge at the Leroy 2 Site, including a schedule for implementation of all of the actions contemplated by the plan. EPA may approve, disapprove, require additions or revisions to, or modify the draft Work Plan. If EPA requires additions or revisions to the draft Work Plan, Respondent shall submit a revised version within the time allotted by the EPA.
- 4.5 Upon EPA approval of the Work Plan, the Work Plan shall be deemed incorporated into this Order and shall be fully enforceable under this Order. Respondent shall immediately commence implementing the Work Plan removal activities, following the schedule for implementation specified by the Work Plan.
- 4.6 Respondent shall, prior to any off-site shipment of oil, oil-contaminated soil, or oil-contaminated water, provide written notification of such shipment to the EPA On-Scene Coordinator ("EPA OSC"), the Oil Spill Prevention and Response agency of the California Department of Fish and Game ("OSPR"), and the Regional Water Quality Control Board for the California Central Coast ("RWQCB"). The notification shall include: (1) the name and location to which the materials will be shipped; (2) the type and

quantity of the materials to be shipped; (3) the expected schedule for shipping; and (4) the method of transportation to be used. Respondent shall also notify the EPA OSC, OSPR, and the RWQCB of any changes to this information. All such off-site shipments shall be transported, stored, and disposed of in accordance with all applicable U.S. Department of Transportation regulations, the NCP, and all other applicable Federal, state, and local laws and regulations.

4.7 Respondent shall not commence or undertake any removal actions at the Leroy 2 Site without prior EPA approval during the pendency of this Order.

5. ENDANGERMENT AND EMERGENCY RESPONSE

- 5.1 In the event that any action performed by Respondent pursuant to this Order causes an actual discharge or substantial threat of a discharge of oil or a release of a hazardous substance, or presents an immediate threat to public health, welfare or the environment, Respondent shall immediately take all appropriate action to prevent, abate, or minimize the threat or actual discharge or release, in consultation with EPA and in accordance with all applicable provisions of this Order. Respondent shall also immediately telephone the EPA OSC at (415) 744-2291 and the National Response Center ("NRC") at (800) 424-8802, and shall provide a written notification to the EPA within twenty-four (24) hours of the verbal notification.
- 5.2 Within seven (7) days after providing verbal notification, Respondent shall submit a written report to EPA, OSPR, and the RWQCB, setting forth the events that occurred and the measures taken or to be taken to mitigate any release, to mitigate any endangerment caused or threatened by the release, and to prevent the reoccurrence of such a release.
- 5.3 The reporting requirements set forth in this Section are in addition to, not in lieu of, any applicable reporting requirements of Section 311(b)(5) of the CWA, 33 U.S.C. § 1321(b)(5); Section 304 of the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. § 11004; or any other Federal, state, or local law.
- 5.4 Nothing in the preceding paragraphs shall be deemed to limit any authority of the United States to take, direct, or order all appropriate action to protect human health and the environment or to prevent, abate, or minimize an actual or threatened discharge of oil or hazardous substances at or from the Facility.

6. AUTHORITY OF THE EPA ON-SCENE COORDINATOR

- 6.1 The EPA OSC shall be responsible for overseeing the proper and complete implementation of this Order. The EPA OSC shall have the authority vested in an OSC by the NCP, 40 C.F.R. § 300.120, and the authority contained in Section 311(c) of the CWA, 33 U.S.C. § 1321(c), including the authority to:
 - i) remove or arrange for the removal of a discharge, and mitigate or prevent a substantial threat of a discharge, at any time;
 - ii) direct or monitor all Federal, state, and private actions to remove a discharge; and
 - iii) determine when the removal is complete.
- 6.2 Absence of the EPA OSC from the Leroy 2 Site shall not be cause for stoppage of work unless specifically directed by the EPA OSC.

7. ACCESS TO PROPERTY AND INFORMATION

- 7.1 Respondent shall provide access to employees, contractors, agents, consultants, designees, and representatives of EPA or of any agency of the State of California as follows:
- (a) Respondent shall provide and/or obtain access to the Leroy 2 Site and to any off-site areas to which access is deemed necessary by EPA or any agency of the State of California to implement this Order.
- (b) Respondent shall provide access to all records and documentation related to the conditions at the Leroy 2 Site and to any actions conducted pursuant to this Order.

8. REPORTING & RECORDKEEPING

8.1 Within seven (7) calendar days of EPA's approval of the Work Plan, and every seven (7) calendar days thereafter until all of the activities specified within the Work Plan are completed, Respondent shall submit a written weekly summary report to the EPA OSC, OSPR, and the RWQCB. These weekly summary reports shall contain a summary of the previous week's activities (including all actions performed, any problems encountered, and actions taken to resolve any problems), as well as developments anticipated for the coming week (including anticipated activities, anticipated problems, and planned resolutions for anticipated problems).

8.2 Within thirty (30) calendar days of completion of the activities outlined in the Work Plan, Respondent shall submit a report describing the implementation of the Work Plan to EPA, OSPR, and RWQCB. The report shall describe, reduce, and display data, including tables and maps, to document the work performed by Respondent. The report shall include a detailed description of the source control and repair activities, all waste handling techniques (including documentation of the final disposition of all generated wastes), and a summary of any variances from the Work Plan. The final report shall also include the following certification signed by a person who supervised or directed the preparation of the report:

Under penalty of law, I certify that to the best of my knowledge, after appropriate inquiries of all relevant persons involved in the preparation of the report, the information submitted is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations.

- 8.3 EPA reserves the right to require any revisions or modifications of any reports required by this Order.
- 8.4 The reports required by this Order shall be directed as follows:
 - a. Reports to the EPA shall be submitted to:

Christopher Weden
U.S. EPA On-Scene Coordinator
75 Hawthorne St. M/S H-8-3
San Francisco, California 94105
Tel.: (415) 744-2291
Fax: (415) 744-1916

- b. Reports to OSPR and to the RWQCB shall be to the persons designated by them; until such time as these agencies designate otherwise, reports to OSPR shall be directed to Steve Sawyer, and reports to the RWQCB shall be directed to Lou Blanck.
- 8.5 Respondent shall preserve all documents and information relating to work performed under this Order, or relating to any oil found on or released from the Leroy 2 Site, for ten years following completion of the removal actions required by this Order. During this ten year period, Respondent shall provide EPA with copies of such documents or information upon the Agency's request. At the end of this ten year period, and thirty days before any document or information is destroyed, Respondent shall notify EPA that such documents and information are available to

EPA for inspection, and Respondent shall provide EPA with the originals or copies of such document or information upon the Agency's request.

9. RESERVATIONS OF RIGHTS

- 9.1 Except as specifically provided in this Order, nothing herein shall limit the power and authority of EPA or the United States from taking, directing, or ordering all actions necessary to protect public health or welfare of the United States, or to prevent, abate, or minimize an actual or threatened release of oil, hazardous substances, pollutants or contaminants, or hazardous or solid waste on, at, or from the Leroy 2 Site or any other facility. The United States and EPA expressly reserve the right to perform its own studies, complete the removal action (or any portion of the removal action), and seek reimbursement from Respondent for its costs, or seek any other appropriate relief. Nothing in this Order shall prevent EPA from seeking legal or equitable relief to enforce the terms of this Order, or from taking other legal or equitable action as it deems appropriate and necessary.
- 9.2 Nothing herein shall preclude EPA from taking any additional enforcement actions, including modification of this Order or issuance of additional Orders, or from otherwise requiring Respondent or any other person to perform any additional activities in the future pursuant to the CWA or any other applicable law. The United States expressly reserves all of its rights to issue additional orders or to take any other action it deems necessary to protect the public health and welfare of the United States.
- 9.3 Notwithstanding any provision in this Order, the United States hereby reserves all of its information gathering, inspection and enforcement authorities and rights under any and all applicable statutes and regulations.
- 9.4 Nothing in this Order is intended to preclude or affect the United States' rights to make or pursue any claims with respect to natural resource damages, or any other damages.
- 9.5 The United States reserves the right to bring an action against the Respondent under Section 311(f) of the CWA, 33 U.S.C. Section 1321(f), Sections 1002 and 1015 of the Oil Pollution Act, 33 U.S.C. Sections 2702 and 2715, or any other applicable law, for recovery of any response costs incurred by the United States related to this Order or the Site and not otherwise reimbursed by the Respondent.

- 9.6 Notwithstanding any provision of this Order, EPA reserves the right to assess administrative penalties pursuant to Sections 311(b)(6) or (7) of the CWA, 33 U.S.C. § 1321(b)(6) or (7), or any other applicable law.
- 9.7 Nothing in this Order shall limit the authorities of the EPA OSC, as outlined in the NCP.
- 9.8 Respondent's participation in this Order shall not constitute or be construed as an admission of liability or of EPA's findings, statements, conclusions of law or determinations contained in this Order.

10. DELAY IN PERFORMANCE

- 10.1 Any delay in performance of this Order that, in EPA's sole discretion, is not properly justified by Respondent under the terms of this Section shall be considered a violation of this Order. Increased costs or expenses associated with implementation of the requirements of this Order shall not be a justification for any delay in performance. Any delay in performance of this Order shall not affect Respondent's obligations to fully perform all requirements of this Order.
- 10.2 Within twenty-four hours after Respondent first has reason to believe that a delay in performing any requirement of this Order may occur, Respondent shall telephone the EPA OSC, OSPR, and the RWQCB to notify them of the delay or anticipated delay. Respondent shall adopt all reasonable measures to avoid or minimize such delay. Within five (5) days after Respondent provides the initial telephone notification, Respondent shall provide a written notification to the EPA OSC, OSPR, and the RWQCB fully describing the nature of the delay, any justification for the delay, the measures taken or planned to minimize the delay together with a proposed schedule for implementing such measures, and any reason why Respondent should not be held strictly accountable for failing to comply with any relevant requirements of this Order.

11. PENALTIES

11.1 Violation of any term of this Order, or any oral direction from an EPA OSC, may subject the Respondent to an administrative civil penalty of up to \$25,000 per day of violation or an amount up to three times the costs incurred by the Oil Spill Liability Trust Fund as a result of such failure under Section 311(b)(7)(B) of the CWA, 33 U.S.C. § 1321(b)(7)(B).

12. REIMBURSEMENT OF OVERSIGHT COSTS

- Respondent shall reimburse the United States for all response costs incurred by the United States in overseeing and monitoring Respondent's implementation of the requirements of this Order, and in any way associated with the event which is the basis for this Order, including, but not limited to, the following: 1) the review or development of plans, reports, and other items pursuant to this Order; 2) the oversight, monitoring, and verification of work performed by Respondent(s) pursuant to this Order; 3) efforts to secure access to any property to which access is required for the performance of the work pursuant to this Order; and 4) review and compilation of cost documentation to support oversight and costs demands. These response costs shall include, but are not limited to, past costs, direct costs, indirect costs, costs of monitoring, and accrued interest as provided in Section 311(f) of the CWA, 33 U.S.C. § 1321(f), and Section 1005 of the OPA, 33 U.S.C. § 2705. The United States will send Respondent one or more demand letter(s) for payment of such costs.
- 12.2 Respondent shall make all payments to the United States for its response costs in the form of a cashier's check. Payments shall be designated as "Response Costs Unocal Guadelupe Leroy 2 Site" and shall reference the payor's name and address, the EPA Site Identification Number (43P09K010), and the docket number of this Order (96-03). Checks should be made payable to the U.S. Coast Guard and forwarded to the following address:

United States Coast Guard - Oil Pollution Re: FPN - (using the number provided in the demand letter) Philadelphia, PA 19175-7615

Respondent shall simultaneously transmit a copy of the check to the EPA OSC.

12.3 Payment shall be made within thirty days of Respondent's receipt of demand for payment. In the event that any payment required by this Order is not timely made, Respondent shall pay interest on the unpaid balance at the rate established by the Department of the Treasury pursuant to 31 U.S.C. § 3717 and 4 C.F.R. § 102.13. Respondent(s) shall further pay: (1) a handling charge of fifteen dollars (\$15.00), to be assessed at the end of each thirty (30) day period during which a payment due hereunder is late, and (2) a six percent (6%) per annum penalty charge, to be assessed if Respondent has not paid in full within ninety (90) days after the payment is due. Payments made under this paragraph shall be in addition to such other remedies or sanctions as are available to the United States by virtue of Respondent's failure to make timely payments under this Order,

including, but not limited to, the sanctions set forth in Section 311(b)(7)(B) of the CWA, 33 U.S.C. § 1321(b)(7)(B).

13. OTHER CLAIMS

- 13.1 By issuance of this Order, the United States and EPA assume no liability for injuries or damages to persons or property resulting from any actions or omissions of Respondent, its successors, assigns, directors, officers, employees, contractors, agents, consultants, designees, or representatives. Neither the United States nor the EPA shall be deemed a party to any contract entered into by Respondent, its successors, assigns, directors, officers, employees, contractors, agents, consultants, designees, or representatives.
- 13.2 Nothing in this Order shall constitute a satisfaction of or release from any claim or cause of action against the Respondent nor against any other person, for any liability such person may have under the CWA or any other applicable statutory or common law, including but not limited to any claims of the United States for penalties, costs, damages, and interest.

14. OPPORTUNITY TO CONFER

- 14.1 Within seven (7) days after issuance of this Order, Respondent may request a conference with EPA. Any such conference shall be held within thirty (30) days after the effective date unless extended by agreement of the Respondent and the EPA.
- 14.2 At any conference held pursuant to the request, Respondent may appear in person or be represented by an attorney or other representative. If a conference is held, Respondent may present any information, arguments or comments regarding this Order.
- 14.3 Regardless of whether a conference is held, Respondent may present any information, arguments or comments in writing to EPA within twenty-one (21) days after the effective date of this Order.
- 14.4 The conference available pursuant to this Section is not an evidentiary hearing, does not constitute a proceeding to challenge this Order, is not a final agency action, and does not give Respondent a right to seek review of this Order.
- 14.5 Requests for a conference, and any written submittals pursuant to this Section, shall be directed to:

III

Arthur L. Haubenstock Assistant Regional Counsel U.S. EPA Region IX 75 Hawthorne St., M/S RC-3-3 San Francisco, California 94105

Tel.: (415) 744-1355 Fax: (415) 744-1041

15. NOTICE OF INTENT TO COMPLY

- 15.1 Not later than five (5) days after the effective date of this Order, Respondent shall provide written notice to the EPA OSC stating whether it will comply with the terms of this Order. If Respondent does not unequivocally commit to perform the requirements of this Order, it shall be deemed to have violated this Order and to have failed or refused to comply with this Order.
- 15.2 Respondent's written notification pursuant to this Section shall include the name, title, address, telephone number, and fax number for the person designated by the Respondent to be its point of contact for the EPA OSC.
- 15.3 Tha absence of a response by EPA to any assertions included in Respondent's notification shall not be deemed to be an acceptance of any such assertions.

16. EFFECTIVE DATE

16.1 The effective date of this Order shall be the date of the receipt of this Order by the Respondent.

17. SEVERABILITY

17.1 If a court finds that any provision (or portion thereof) of this Order is invalid, or that Respondent has sufficient cause not to comply with any provision (or portion thereof) of this

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Order, Respondent shall remain bound to comply with all other requirements of this Order not affected by the court's determination.

It is so ordered.

BY: Deld Cwlit	DATE: 11/21/55
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Donald C. White, Chief Planning and Response Branch U.S. Environmental Protection Agency Region IX

I hereby certify that I am a representative of the Unocal Corporation, duly authorized to accept this Order and to agree to its provisions of this Order on behalf of the Unocal Corporation.

BY:		 DATE:	
, 	(name)		
	(title)		